



March 12, 1999

The Honorable Steve Peace, Chair  
Joint Legislative Budget Committee  
State Capitol, Room 3060  
Sacramento, CA 95814

Dear Senator Peace:

Enclosed is the Department of General Services' (DGS) latest report of its Performance Budget Pilot Project. This report is submitted as required by Section 2 (b)(2) of Chapter 328, Statutes of 1998. Section 15 (b)(2) requires the department to provide performance measurement data to the Legislature on a semi-annual basis. The report covers the period July 1, 1998, through December 31, 1998.

The DGS performance measures are used to monitor and improve the organization. Each office has established performance measures that indicate their level of customer satisfaction and the effectiveness and efficiency with which goods and services are delivered to our customers. The department continually reviews our performance measures to ensure their validity, and that they provide useful feedback to assist in our efforts to become a timely, efficient, customer-focused service provider.

If you have any questions or need additional information about the department's objectives and performance measures, please contact Jack Smith, Deputy Director, Management Services Division, at 445-3828.

Sincerely,

CLIFF ALLENBY, Interim Director  
Department of General Services

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Enclosure

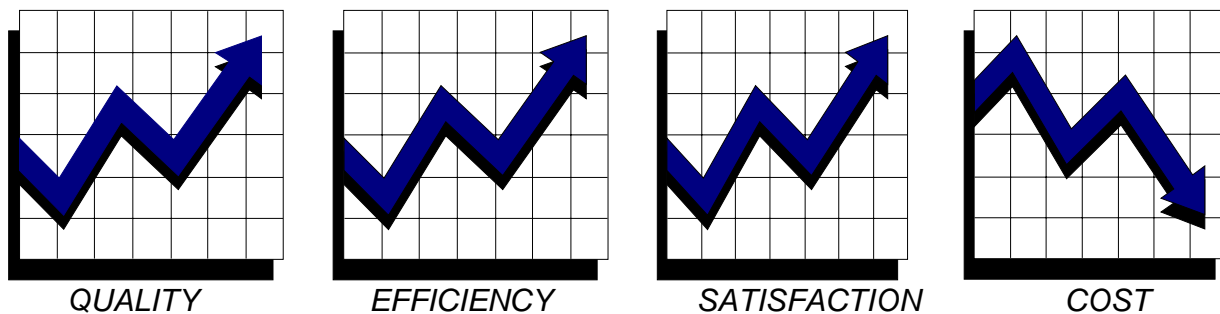
cc: Rick Simpson, Legislative Secretary, Office of the Governor  
Happy Chastain, Deputy Secretary-Legislation, State and Consumer Services Agency  
Karen L. Neuwald, Assistant Director-Legislation, Department of General Services

DEPARTMENT OF GENERAL SERVICES  
PERFORMANCE BUDGET PILOT PROJECT



**PERFORMANCE OBJECTIVES AND MEASURES FOR  
FY 1998 - 99**

PERFORMANCE MEASURE DATA  
JULY 1, 1998 THROUGH DECEMBER 31, 1998



STATE AND CONSUMER SERVICES AGENCY

Department of General Services

FEBRUARY 17, 1999

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## PERFORMANCE BUDGET PILOT PROJECT REPORT OVERVIEW

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### Report Covers First Half FY 1998-99

In the following pages, the Department of General Services (DGS) presents a report of its performance data for the first half of Fiscal Year 1998-99. This is the DGS' 11th report on performance data since the beginning of the performance budget pilot project.

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### Report Presents 11 Offices or Divisions

This report includes data from 11 DGS offices or divisions organized by the following program categories:

- Building Regulation Services (two offices)
- Real Estate Services (one division with six branches)
- Statewide Support Services (eight offices/divisions)

Effective July 1, 1998, the programs of the Office of Information Services have been integrated into the Office of State Publishing and the Procurement Division.

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### Information on Each Objective

This report offers the latest information on the department's program objectives. Information shown for each objective includes:

- Statement of objective (such as "increase the percentage of projects completed on-time to 85% by 6/30/99")
- Latest accomplishment relative to the objective (such as "achieved 90% of projects completed on-time")
- Additional helpful information (such as information about the methodology, quantities measured or date the office will next gather data)
- For most objectives, a line chart that illustrates the accomplishment versus objective over reporting periods.

To fully understand each objective, the above information should all be reviewed together (the narrative and chart support each other).

## PERFORMANCE BUDGET PILOT PROJECT REPORT OVERVIEW

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Comments on the  
Objectives

1. The objectives in this report vary as to when they were created. As departmental programs have been refined, so have our objectives. Where most objectives have been in place since at least 1995-96, other objectives have been modified or deleted as programs have changed. The result is that for some objectives we can report three or four fiscal years of accomplishments while for others we can report only one or two.
  2. Each DGS office has a “customer satisfaction” objective. Since the beginning of the pilot project, we have asked our offices to concentrate on obtaining customer input, either through surveys, focus groups, or visits. Customer feedback has been positive about this effort and our offices indicate that this feedback helps to identify and resolve service delivery concerns.
  3. As part of the department’s upcoming internal budget preparation process, each office will review their performance measures to determine if refinements, additions, or deletions are necessary.
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*State Architect  
Mission*

Fred Hummel, FAIA

To ensure that safety of construction and access for the disabled to public schools, community colleges, and state buildings are provided to all clients through superior, efficient, and timely design and construction review.

*Objective 1*

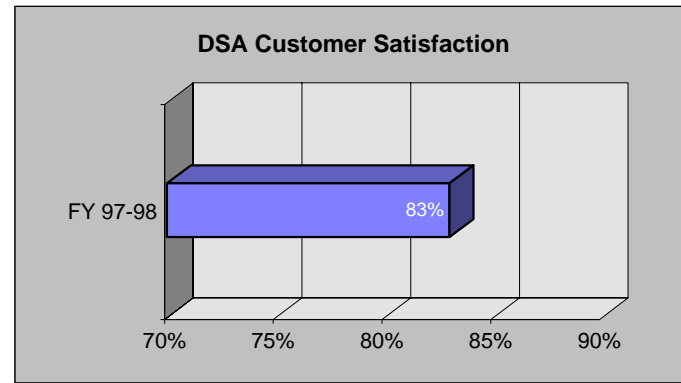
Increase customer satisfaction.

*Accomplishment*

See note below

*Additional  
Information*

Due to a diminishing survey response rate, office's current survey methodology is being re-evaluated. Under current survey methodology, customers are surveyed at the conclusion of 5 project milestones.



*Objective 2*

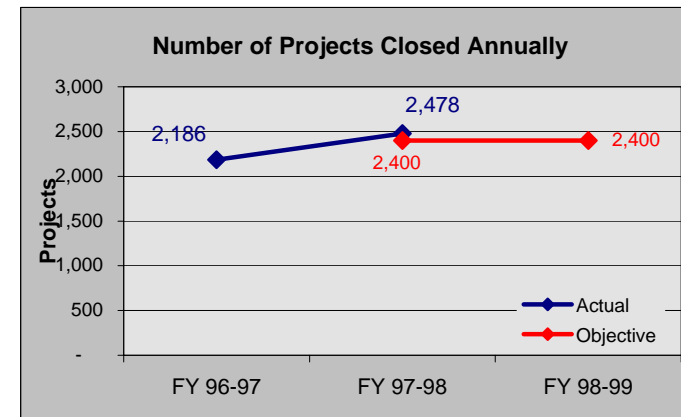
Maintain the number of projects closed per year to not less than 2,400 in 1998-99.

*Accomplishment*

Results will be reported at the close of the fiscal year.

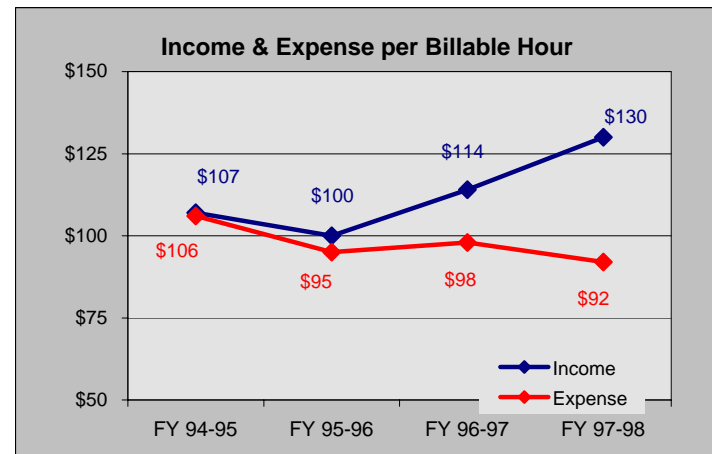
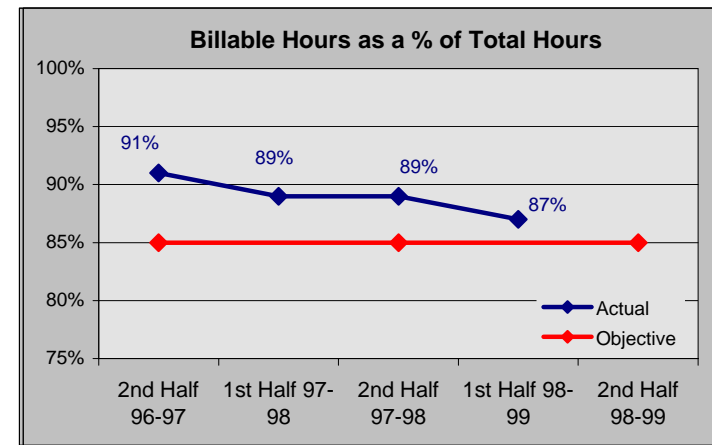
*Additional  
Information*

Through the first six months of 1998-99, 1,177 projects have been closed.





<i>Objective 3</i>	Maintain the percentage of direct billable hours to not less than 85% in 1998-99.
<i>Accomplishment</i>	Achieved 87% direct billable hours for the 1st Half 98-99.
<i>Additional Information</i>	Target of 85% is an industry standard for Architectural & Engineering Professionals.
<i>Objective 4</i>	Maintain hourly earned income at a rate that meets or exceeds expenses.
<i>Accomplishment</i>	Measure results will be reported at the close of the fiscal year.
<i>Additional Information</i>	For 1997-98, earned income was \$130 per billable hour compared to expenses of \$92 per billable hour.



Deputy Director  
Office Chief  
Mission

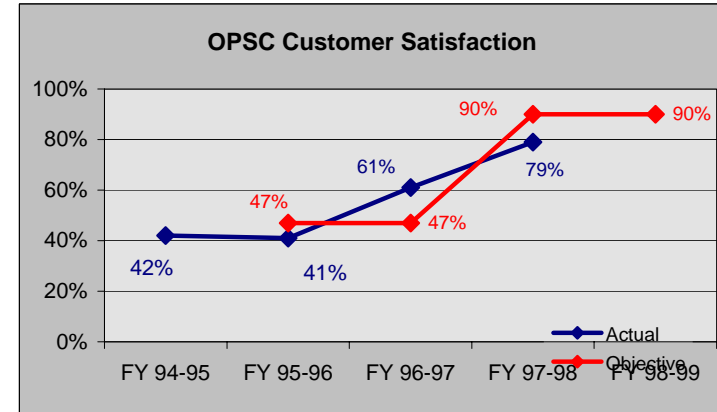
Karen McGagin  
Ted Dutton

As staff to the State Allocation Board (SAB), assure safe and adequate facilities for all of California's public school children in an expeditious and cost-effective manner.

*Objective 1* Increase customer satisfaction to 90% in 1998-99.

*Accomplishment* Annual survey will be conducted in May of 1999.

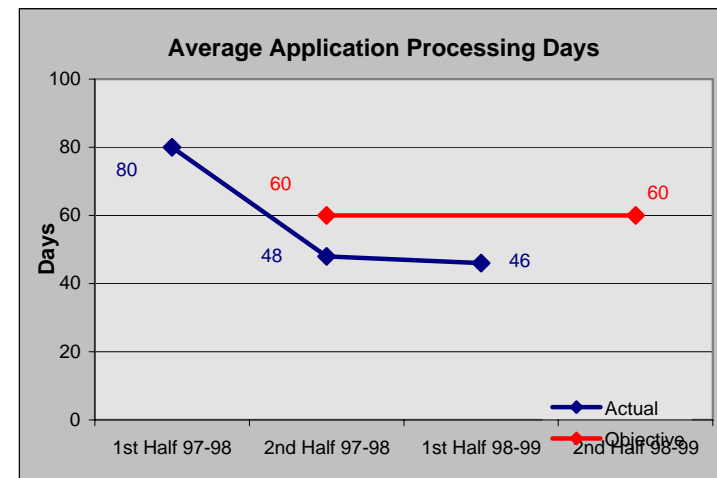
*Additional Information* Realized 79% customer satisfaction in 1997-98.  
  
Surveys are sent to all school districts listed in the California Public School Directory.



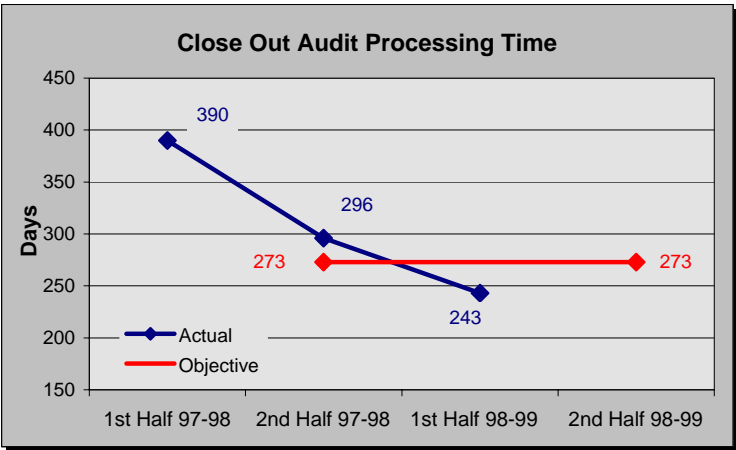
*Objective 2* Maintain the processing time of acceptable application packages for SAB approval to not greater than 60 days in 1998-99.

*Accomplishment* Achieved average processing time of 46 days in the 1st Half 98-99.

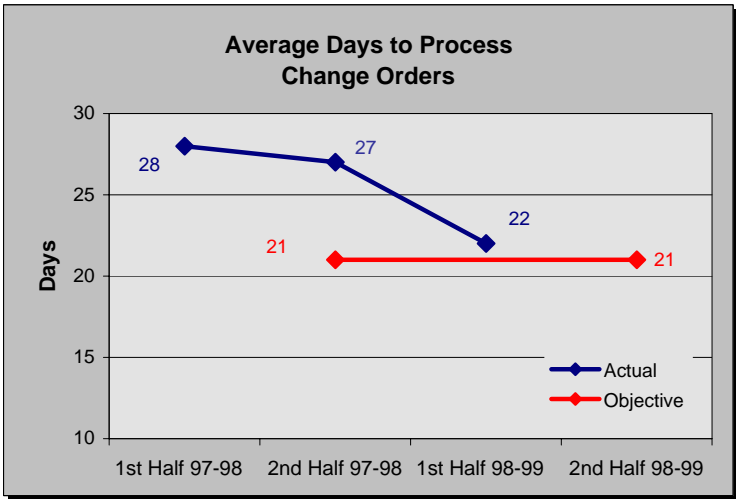
*Additional Information* 591 Phase P applications were processed for SAB approval during the reporting period. This measure was modified in 1997-98 to reflect streamlining measures adopted by the SAB.



<i>Objective 3</i>	Decrease the processing time of close out audits from 390 days to 273 days (30%) by 6/30/99.
<i>Accomplishment</i>	Achieved average close out audit processing time of 243 days in the 1st Half 98-99.
<i>Additional Information</i>	175 Exhibit A's were issued in the reporting period as a result of closing out projects.



<i>Objective 4</i>	Decrease the number of days for processing change orders to 21 days (25%) by 6/30/99.
<i>Accomplishment</i>	Realized average change order processing time of 22 days in the 1st Half 98-99.
<i>Additional Information</i>	663 change orders were processed in the reporting period. This measure was modified in 1997-98 to reflect only change orders processed with a value under \$100,000. Change orders over \$100,000 require additional justification, meetings, site visits, a higher level of management approval and funding augmentations requiring approval of the SAB.



*Deputy Director*  
*Assistant Deputy Dir.*  
*Mission*

Mike Courtney

We are a diversified full service real estate organization dedicated to fulfilling our customer's facility and real property needs.

*Background*

Effective July 1, 1997, the department organized most of the functions of the Division of the State Architect and Real Estate and Building Division into a single organizational structure named the Real Estate Services Division (RESA). RESA provides comprehensive real estate services to state agencies through the integrated functions of six operating branches. These six branches consist of:

1. Customer Account Management Branch
2. Asset Planning and Enhancement Branch
3. Project Management Branch
4. Business, Operations, Policy, & Planning Branch
5. Professional Services Branch
6. Building & Property Management Branch

*Planning  
and  
Development*

During late 1997-98, RESA management identified a series of business objectives that support the department's six Strategic Plan Goals. The division has selected a total of five objectives to be reported to the Legislature in the department's semi-annual report.

In 1998-99, custom reports are under development to extract measurement data from the department's new Activity Based Management System. As these reports are completed, the division will begin collecting baseline data for each measure.

The following pages provide an overview of the five objectives the division will report to the Legislature.

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*Objective 1*      Improve Customer Satisfaction

Measure: Customer rating

Strategies:

- ❖ Developed valid methodology for measuring customer satisfaction by December 31, 1998
- ❖ Distribute customer survey
- ❖ Establish baseline
- ❖ Obtain feedback through survey results by April 30, 1999
- ❖ Evaluate performance
- ❖ Implement improvement programs
- ❖ Develop and implement customer service program by June 30, 1999.

*Objective 2*      Determine competitiveness of the cost of RESD products and services

Measure: Cost per square foot (or other appropriate unit cost) of product or services

Strategies:

- ❖ Establish benchmarks and targets
- ❖ Compare effectiveness of service delivery with alternative sources, taking into account cost, quality, timeliness and state requirements
- ❖ Measure and report performance by June 30, 1999
- ❖ Explore delivery alternatives to reduce costs

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*Objective 3*      Increase percentage of projects completed by the original schedule date

Measure: Percentage of projects completed by the original schedule date

Strategies:

- ❖ Establish baseline - report by June 30, 1999
- ❖ Utilize state of the art technology to set and track project schedules
- ❖ Explore alternative delivery methodologies
- ❖ Implement Matrix team principals for project management by June 30, 1999
- ❖ Hire and train adequate staff to meet workload demand by May 31, 1999
- ❖ Establish realistic schedule through increased customer interaction

*Objective 4*      Increase percentage of projects completed within original budget

Measure: Percentage of projects completed within original budget.

Strategies:

- ❖ Establish baseline
- ❖ Project mapping
- ❖ Explore alternative delivery methodologies
- ❖ Implement Matrix team principals for project management by June 30, 1999
- ❖ Improve scoping and pricing utilizing state of the art technology by December 31, 1999

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*Objective 5*      Increase performance of the state's portfolio

Measure: Percentage of occupancy

Strategies:

- ❖ Establish benchmark using industry/government standards
- ❖ Updated deferred maintenance plan by September 1, 1998 - re-evaluate plan by May 1, 1999
- ❖ Determined current occupancy rate by building by October 31, 1998
- ❖ Perform preventive maintenance - report performance annually
- ❖ Develop comprehensive marketing program by June 30, 1999
- ❖ Include special repair and tenant improvement funds in pricing structure

*Deputy Director*  
*Office Chief*  
*Mission*

Karen McGagin  
Karl Engeman

To provide a neutral forum for fair and independent resolution of matters in a professional, efficient, and innovative way, ensuring due process and respecting the dignity of all.

*Objective 1*

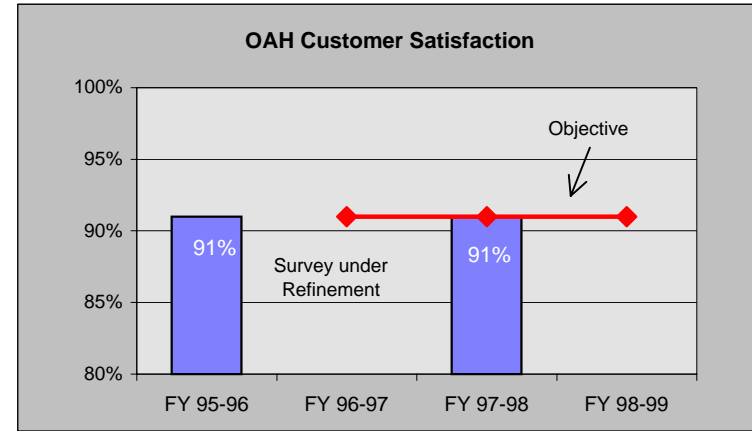
Maintain customer satisfaction of not less than 91% in 1998-99.

*Accomplishment*

Annual survey will be conducted at the close of the fiscal year.

*Additional Information*

Achieved an overall customer satisfaction rating of 91% in 1997-98.



*Objective 2*

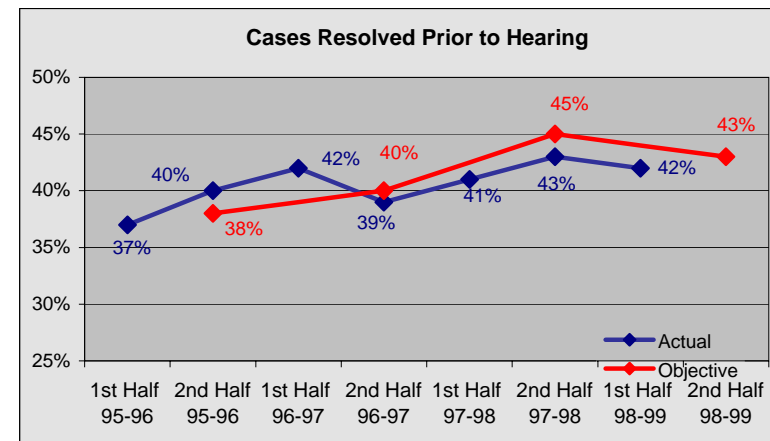
Maintain the percent of filed cases resolved prior to hearing to not less than 43% in 1998-99.

*Accomplishment*

Realized 42% of cases resolved prior to hearing for 1st Half 98-99.

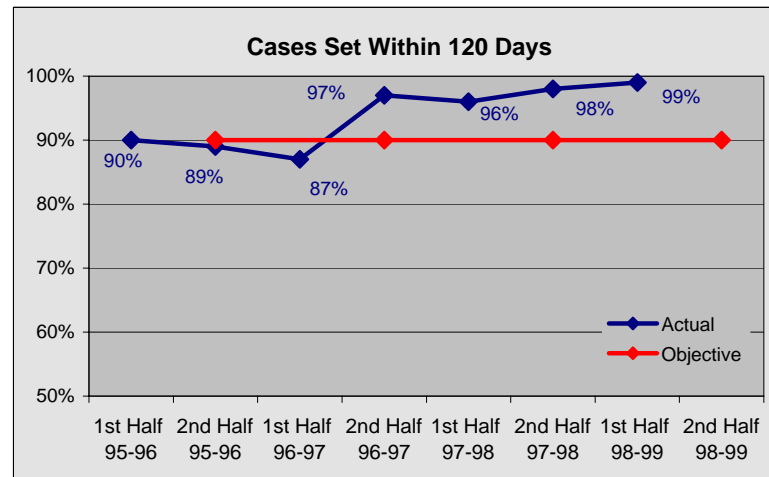
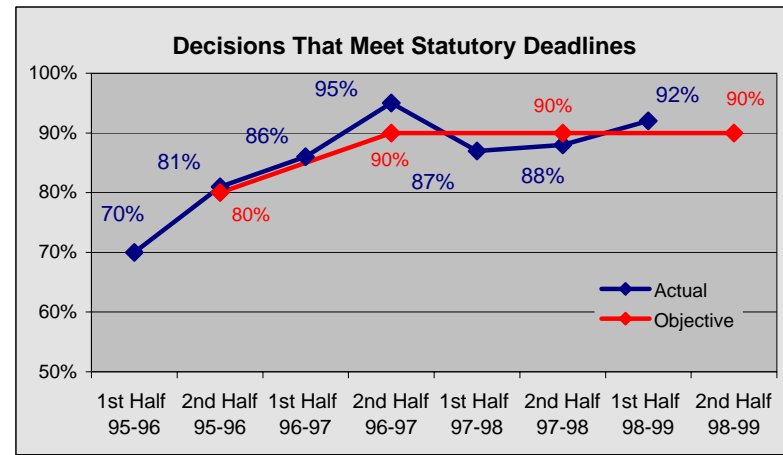
*Additional Information*

For the 1st Half 98-99, 1,014 of 2,387 cases were resolved prior to hearing.





<i>Objective 3</i>	Maintain the percent of decisions that meet statutory deadlines to not less than 90% in 1998-99.
<i>Accomplishment</i>	Achieved 92% decisions that met statutory deadlines during 1st Half 98-99.
<i>Additional Information</i>	For the 1st Half 98-99, 1,003 of 1,089 decisions met statutory deadlines.
<i>Objective 4</i>	Maintain the percent of cases set within 120 days (after all parties are ready) to not less than 90% for 1998-99.
<i>Accomplishment</i>	Achieved 99% cases set within 120 days in the 1st Half 98-99.
<i>Additional Information</i>	Of a total of 2,066 cases, 2,043 were set within 120 days after all parties were ready during the 1st Half 98-99.



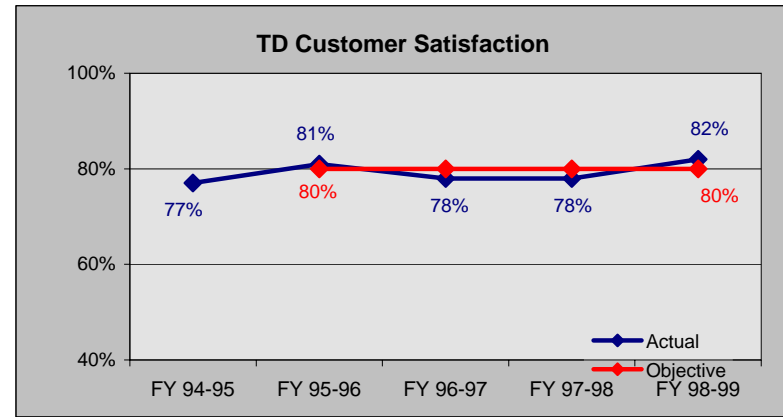
*Deputy Director*  
*Office Chiefs*  
*Mission*

Christina Polley  
Pete Wanzenried/  
To ensure that quality telecommunications services and commodities are provided to all state agencies in the most cost-effective, efficient, and timely manner possible.

*Objective 1* Increase customer satisfaction to 80% in 1998-99.

*Accomplishment* Annual survey will be conducted in June of 1999.

*Additional Information* Realized 78% customer satisfaction in 1997-98. Rating of 78% reflects survey responses of either excellent or above average on a five-choice scale that also includes average, below average and poor.



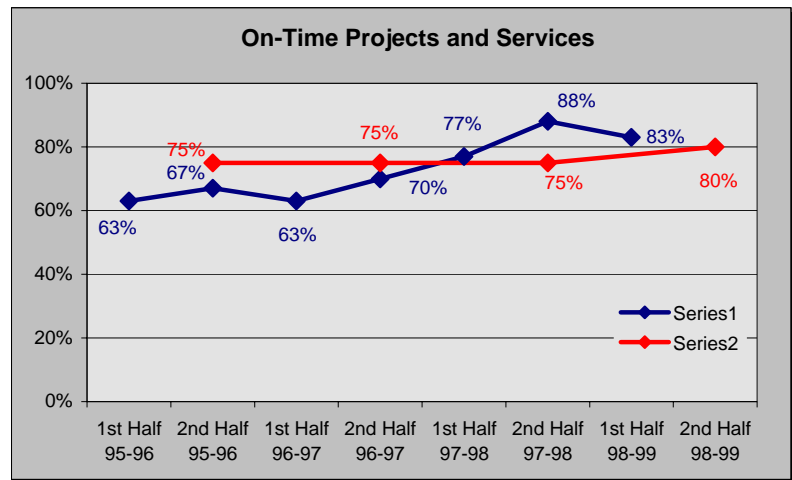
*Objective 2* Provide customers with services at rates competitive with those offered by the private sector.

*Accomplishment* See notes below

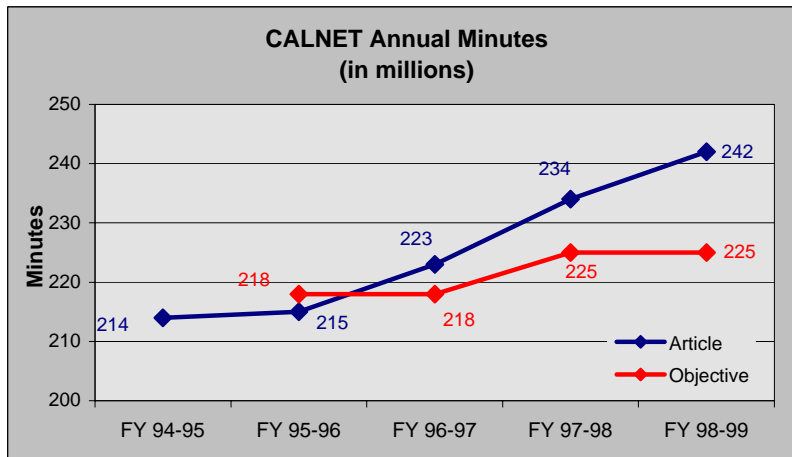
*Additional Information* Public Safety Radio Engineering rate comparison is derived from recently awarded Master Service Agreement for like services. Private rate comparisons for repair maintenance, CALNET and CALDEX reflect past year comparisons and will be updated and reported at the close of the fiscal year.

SERVICE	TD RATES (A)	PRIVATE RATES (B)	SAVINGS (A-B)
Radio Services/Repair Maintenance per unit, per month	\$ 10.71	\$ 11.63	\$ (0.92)
Radio Services/ Engineering Design per hour	\$ 86.00	\$ 97.00	\$ (11.00)
CALNET Data Service per month	\$ 118,157	\$ 133,484	\$ (15,327)
CALDEX Basic Services per month	\$ 2,946	\$ 3,620	\$ (674)

<i>Objective 3</i>	Maintain projects completed on schedule and services delivered on schedule to not less than 80% in 1998-99.
<i>Accomplishment</i>	Achieved 83% on-schedule projects and services in 1st Half 98-99.
<i>Additional Information</i>	279 of 337 projects were completed on schedule during the reporting period.



<i>Objective 4</i>	Maintain joint use of CALNET facilities to not less than 225 million minutes in 1998-99.
<i>Accomplishment</i>	Annual measure will be reported at the close of the fiscal year.
<i>Additional Information</i>	Achieved 234 million minutes of use in 1997-98.



Deputy Director  
Office Chief  
Mission

Karen McGagin  
Timothy Bow

To provide statewide transportation services of the highest quality at the lowest possible cost to all state employees. These services will be delivered in a competent and professional manner by well trained and dedicated staff.

**Objective 1A**

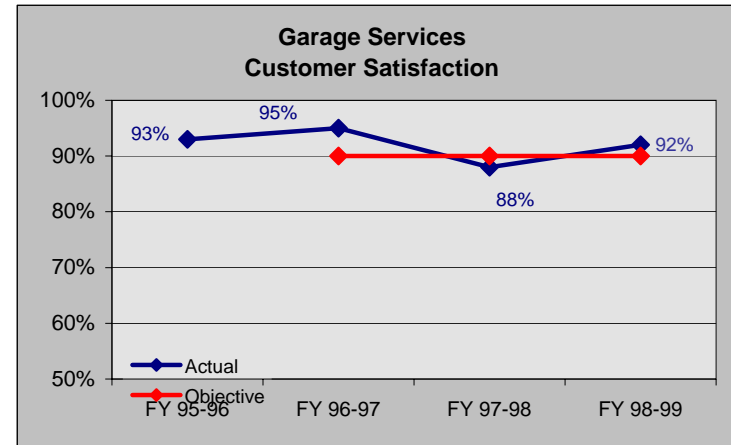
Increase Garage Services customer satisfaction to 90% in 1998-99.

**Accomplishment**

Achieved 92% customer satisfaction in 1998-99.

**Additional Information**

Customer satisfaction rating reflects responses of either excellent or above average on a five-choice scale that also includes average, below average and poor. Results are based on 249 survey responses.



**Objective 1B**

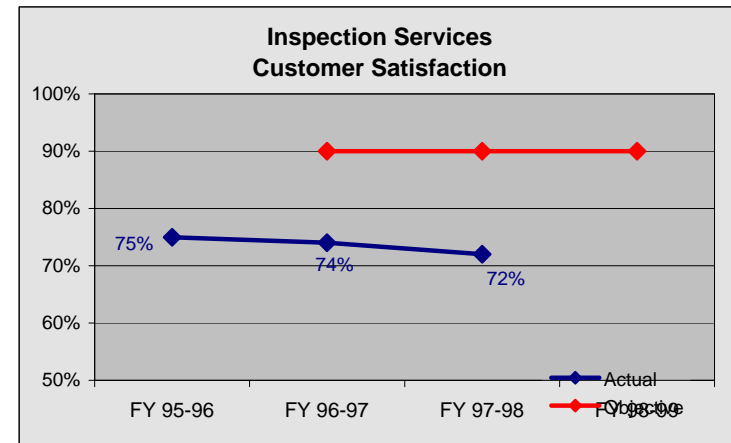
Increase Inspection Services customer satisfaction to 90% in 1998-99.

**Accomplishment**

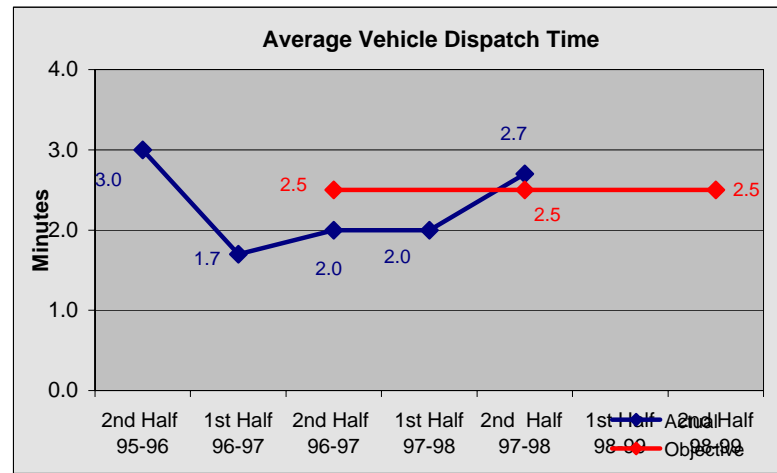
Annual survey will be completed in the second half of the fiscal year.

**Additional Information**

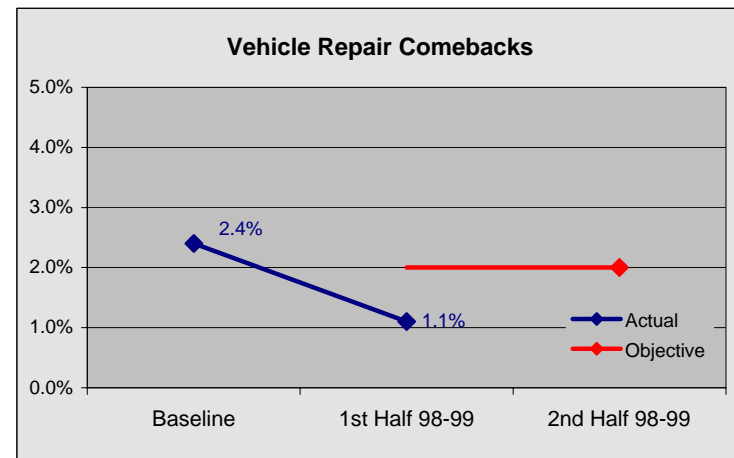
Realized 72% customer satisfaction in 1997-98.



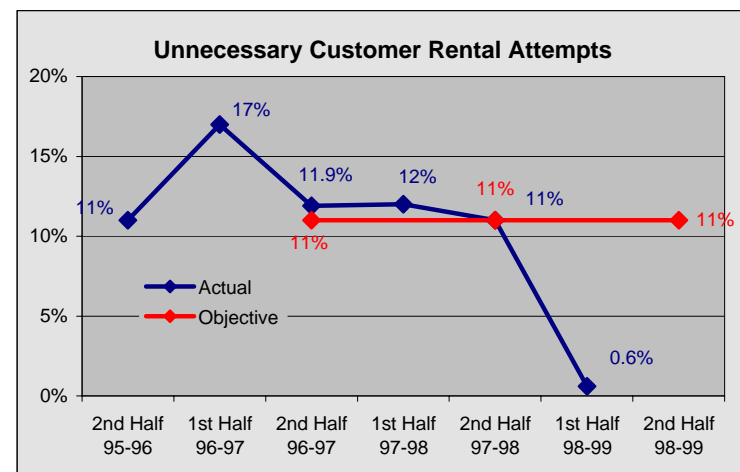
<i>Objective 2</i>	Maintain any increase in car rental rates to the same percentage private industry uses to raise its rates.
<i>Accomplishment</i>	The OFA maintained the same vehicle rental rates in 1998-99 as 1997-98.
<i>Additional Information</i>	---
<i>Objective 3</i>	Maintain the average dispatch time of fleet vehicles to not more than 2.5 minutes in 1998-99.
<i>Accomplishment</i>	Data not available for this reporting period.
<i>Additional Information</i>	Samples are taken daily at larger garage operations and weekly at smaller garage operations.



<i>Objective 4</i>	Decrease percent of Fleet vehicle repair comebacks to 2% or less by 6/30/99.
<i>Accomplishment</i>	Achieved 1.1% vehicle repair comebacks in the first half 98-99.
<i>Additional Information</i>	This measure calculates the number of vehicles returned to a state garage to repair the same vehicle problem a second time.



<i>Objective 5</i>	Reduce the percentage of unnecessary customer trips to Fleet garages to rent a vehicle to 11% by 6/30/99.
<i>Accomplishment</i>	Achieved 0.6% unnecessary trips in 1st Half 98-99.
<i>Additional Information</i>	OFA realized improvement due to increasing the number of vehicles available for daily rental.  Customers not receiving a vehicle are shuttled to two private contract vendors within the area.



Deputy Director  
Office Chief  
Mission

Jack Smith  
Ralph Maurer

To create a partnership between the Office of Risk and Insurance Management (ORIM) and its clients to act as a resource for quality risk management services to state agencies and other clients. On a consistent basis, ORIM shall provide continually improving services in a responsive, knowledgeable manner which results in a high degree of client satisfaction.

**Objective 1**

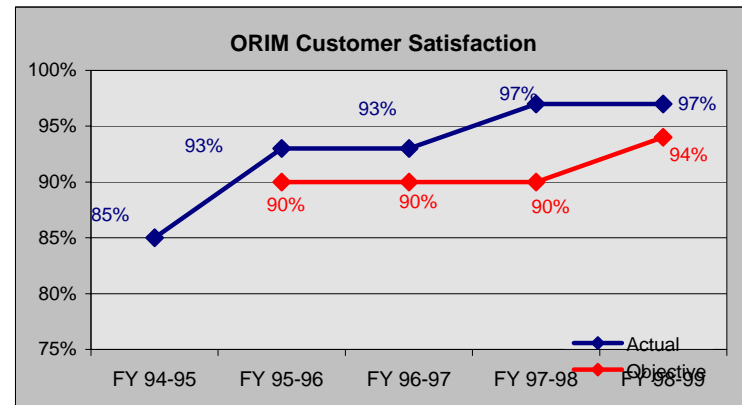
Maintain customer satisfaction of not less than 94% during 1998-99.

**Accomplishment**

Achieved 97% customer satisfaction in 1998-99, half of the year.

**Additional Information**

Results based on 300 survey responses. The 97% rating reflects respondents indicating overall customer satisfaction levels of either excellent or above average on a five-choice scale.



**Objective 2**

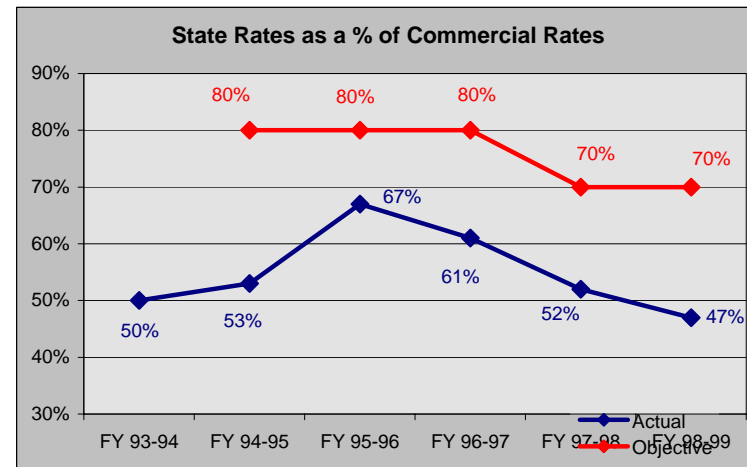
Maintain average motor vehicle insurance rates, for coverage up to \$1 million per occurrence, at less than 70% of average commercial insurance rates in California in 1998-99.

**Accomplishment**

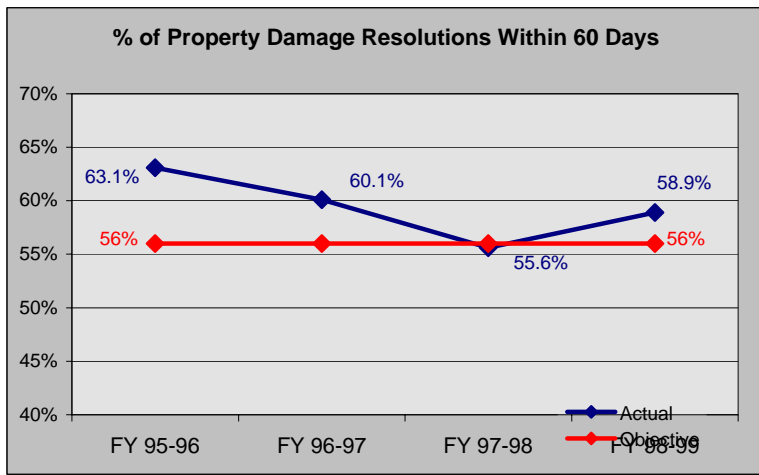
Achieved an average insurance rate of 47% of average commercial rates in 1998-99.

**Additional Information**

Average state rate was \$408 compared to an average private sector rate of \$869. Comparative rate information is gathered from insurance companies, insurance brokers, and information shared by both private and public entities through Internet communications.



<i>Objective 3</i>	Resolve at least 56% of property claims within 60 days of claim file creation in 1998-99.
<i>Accomplishment</i>	Achieved 58.9% resolution of claims within 60 days in 1998-99.
<i>Additional Information</i>	<p>973 of 1,561 total claims were closed within 60 days during the twelve-month period.</p> <p>This measure was converted from a six-month reporting period to a one-year reporting period. The office believes the six-month reporting period results were skewed due to changing weather seasons. Modifying the measure to a twelve-month period will limit the impact of workload fluctuations and more accurately reflect performance.</p>





Chief Deputy Director  
Office Chief  
Mission

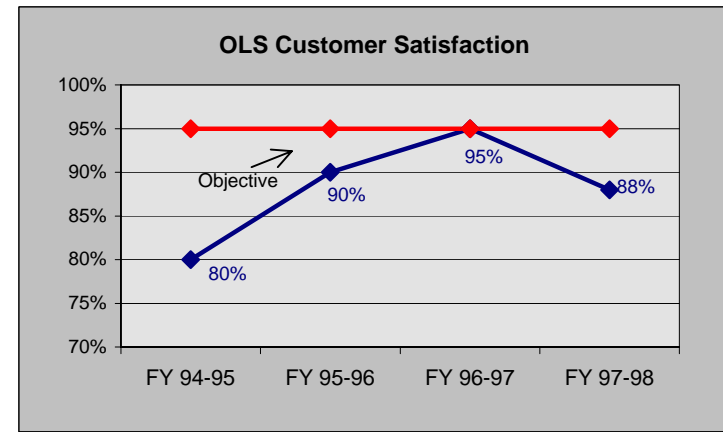
Jeff Marschner

To render quality legal advice and services on a timely basis and at a reasonable cost.

*Objective 1* Increase customer satisfaction to 95% in 1998-99.

*Accomplishment* Annual survey will be conducted in the Spring 1999.

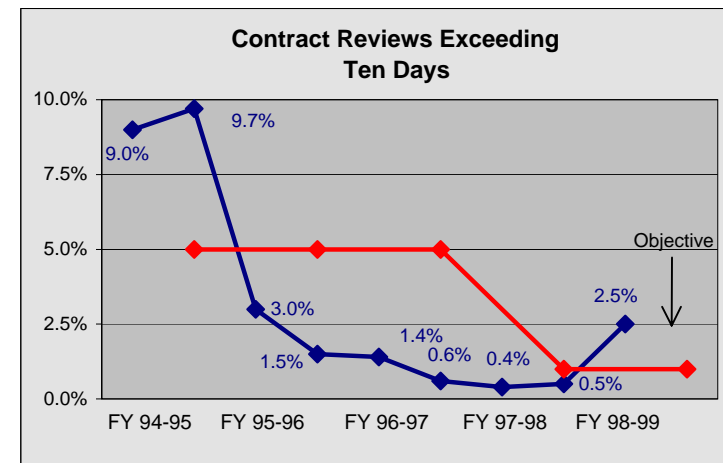
*Additional Information* Realized 88% customer satisfaction in 1997-98. Score of 88% reflects the top two choices on a five-choice scale. Survey results are based on 40 responses. The survey is distributed to all agencies having contracts reviewed by the office during the fiscal year.



*Objective 2* Maintain to 1% or less the number of contract reviews that exceed ten days during 1998-99.

*Accomplishment* Realized contract reviews that exceed ten days of 2.5% during 1st Half 98-99.

*Additional Information* 4,360 contracts were reviewed during the reporting period. 107 contract reviews exceeded ten days.



*Objective 3*

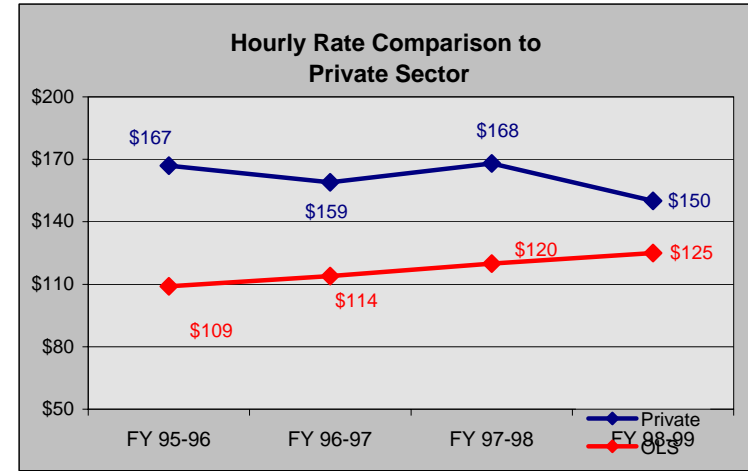
Maintain hourly rates consistent with or lower than hourly rates charged by local attorneys.

*Accomplishment*

Rate comparison will be available in the next report.

*Additional Information*

Rates were 29% lower than private sector in 1997-98. Office maintains a file of contractual agreements between state agencies and private-sector attorneys. Contracts for comparable services are then sampled and compared to OLS rates.



*Acting Deputy Dir.  
Mission*

Dennis Ericson

We ensure the success of our customer's mission by providing strategic acquisition and material management guidance while maintaining public trust.

*Objective 1*

Increase customer satisfaction.

*Accomplishment*

Realized 43% customer satisfaction in 1998-99.

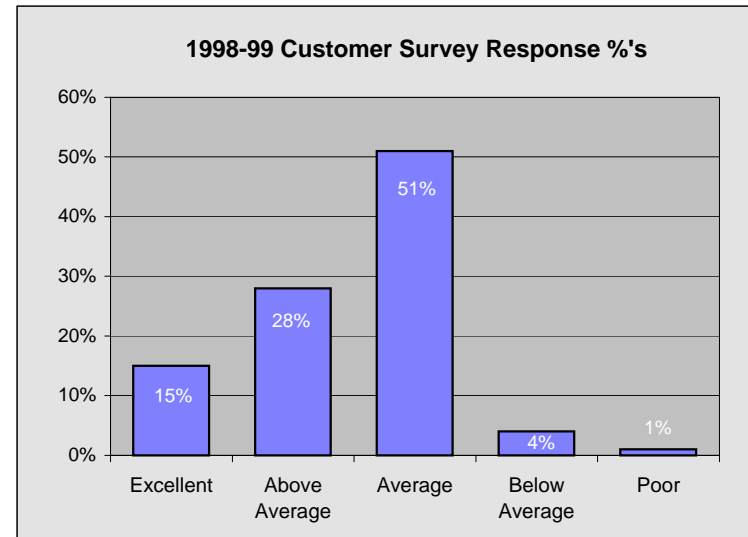
*Additional  
Information*

Effective July 1, 1998, the Procurement Division and the Office of Information Services merged.

The customers surveyed included state agencies and for the first time several suppliers and others from the private sector. Previous surveys were sent only to Managers/Supervisors of state agencies. This survey also included many state agency supply clerks and clerical personnel.

Survey results were based on 698 responses.

New services included: Records Center, Records Distribution Center, Records Management, Janitorial Supply/Custom Catalog, Training Services, Central Stores, Service Fees, and support.

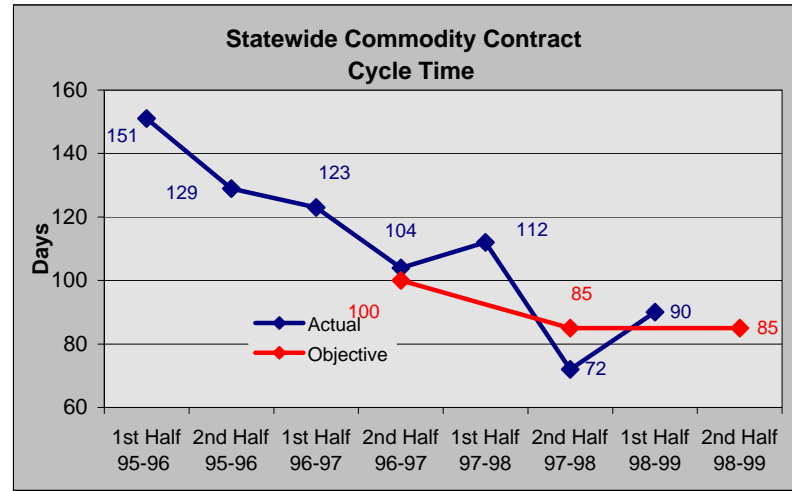


**Objective 2A** Decrease average cycle times for significant service delivery processes.

Specific Objective: Maintain the average cycle time of Statewide Commodity Contracts to not more than 85 days by 6/30/99.

**Accomplishment** Realized an average cycle time of 90 days during the 1st Half 98-99.

**Additional Information** 22 contracts with an average value of \$95,964,585 were processed during the reporting period.

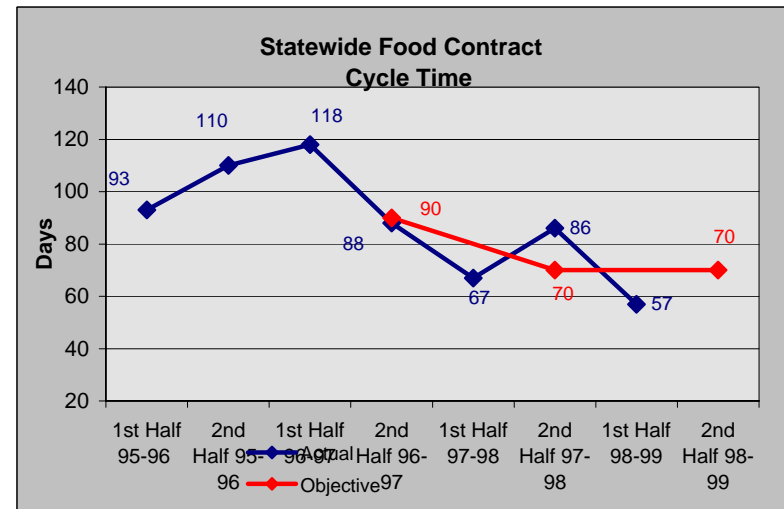


**Objective 2B** Decrease average cycle times for significant service delivery processes.

Specific Objective: Decrease the average cycle time of Statewide Food Contracts to 70 days by 6/30/99.

**Accomplishment** Achieved an average cycle time of 57 days during the 1st Half 98-99.

**Additional Information** 29 contracts with an average value of \$19,286,943 were processed during the reporting period.



**Objective 2C**

Decrease average cycle times for significant service delivery processes.

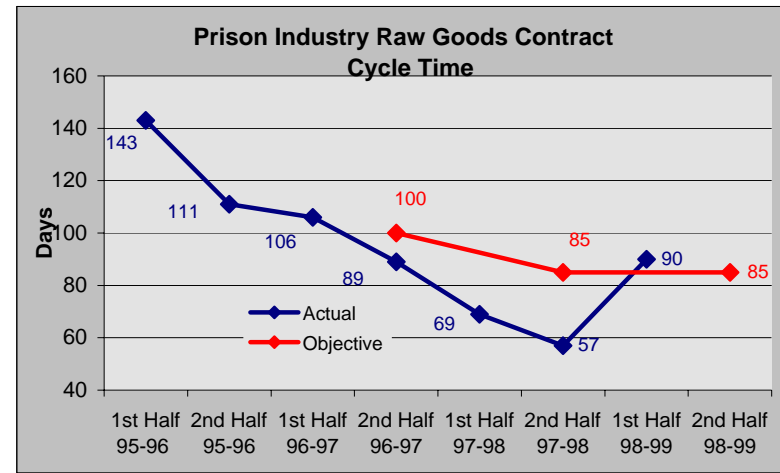
Specific Objective: Maintain the average cycle time of Prison Industry Raw Goods Contracts to not more than 85 days in 1998-99.

**Accomplishment**

Realized an average cycle time of 90 days during the 1st Half 98-99.

**Additional Information**

11 contracts with an average value of \$9,863,249 were processed during the reporting period.



**Objective 2D**

Decrease average cycle times for significant service delivery processes.

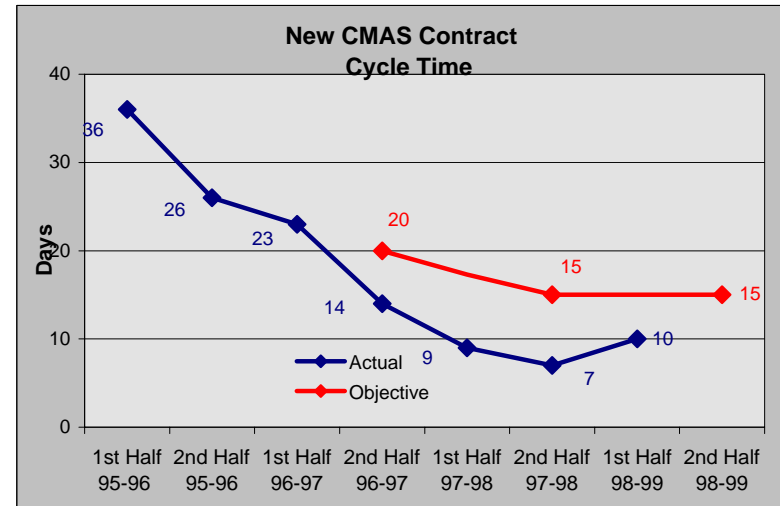
Specific Objective: Maintain the average cycle time of new CMAS Contracts to not more than 15 days in 1998-99.

**Accomplishment**

Achieved an average cycle time of 10 days during the 1st Half 98-99.

**Additional Information**

453 contracts were processed during the reporting period.



<i>Objective 2E</i>	<p>Decrease average cycle times for significant service delivery processes.</p> <p><u>Specific Objective:</u> Maintain the average cycle time of one-time Food Purchases to below 70 days by 6/30/99.</p>
<i>Accomplishment</i>	Achieved an average cycle time of 58 days during the 1st Half 98-99.
<i>Additional Information</i>	122 contracts with an average value of \$7,345,245 were processed during the reporting period.
<i>Objective 2F</i>	<p>Decrease average cycle times for significant service delivery processes.</p> <p><u>Specific Objective:</u> Reduce the average cycle time of one-time Commodity Purchases to 60 days by 6/30/99.</p>
<i>Accomplishment</i>	Realized an average cycle time of 96 days during the 1st Half 98-99.
<i>Additional Information</i>	437 contracts with an average value of \$54,013,858 were processed during the reporting period.

